

Office Memorandum • UNITED STATES GOVERNMENT

TO : [REDACTED]
 25X1A9a
 FROM : Budget & Finance Branch

See Sg. Junt 5/20/48
 DATE: 16 April 1948

SUBJECT: Informal Comments Re: Draft of Special Funds Regulations

General Comments

- OK* (1) Suggest an Index to facilitate reference to text.
- OK* (2) Date should appear in lower left corner of each page to prevent confusion when pages are amended.
- ?* (3) Believe that there is too much repetition, especially of negative statements such as "may not pay unless in accordance with these regulations". etc.
- Cnc* (4) Believe that a more logical sequence would be for Part IV Special Funds Officer, to precede Parts II and III, Certifying Officers and Agent-Cashiers.
- EX* (5) Suggest Par. 12.3 be included under Part VIII and extended to cover travelers other than employees. *Proff*
- Cnc later* (6) Believe that the references to internal memoranda and cables as basic authority should be deleted and the principals spelled out in the Instruction.
- OK* (7) It is noted that the Instruction throughout limits expenditures to those of a "confidential" nature, whereas proposed legislation provides for expenses of a "confidential, extraordinary, or emergent nature".
- ?* (8) Instruction does not contain adequate provision for handling and appropriate delegation of authority and responsibility in connection with cash, negotiable assets, and other assets which might be acquired through unidentified collections, resale of property, interest on deposits, or profits on investments. The above items would not be "Special Funds" in accordance with the definition given in Paragraph 1.2. Since Special Funds accounts are maintained on an Asset basis the instructions should cover the handling of and responsibility for all assets, and should not be limited to disbursements of "Special Funds".

C Paragraph 1.1 : Suggest the insertion of the word "Accounting".

C 1.2 : Director's certificate should read "in view of the confidential, extraordinary, or emergent nature of such expenditures....." in order to conform to the actual situation and also in line with proposed legislation.

Document No. 006
 No Change in Class. ☒
☐ Declared
 Class. Change To: TS S C
 Auth: HRP 73-2
 Date: SEP 26 1978 By: QIS

N change 1.3 : Suggest re-phrasing of 2nd and 3rd sentences to allow use of special funds on projects or activities where the dual requirements of security and operational expediency makes it advisable.

OK change 1.4a : Suggest that here and other places in the instruction that the phraseology be "The Director or his written designee".

N change 1.4b : Suggest re-phrasing for clarity.

N change 1.4c : This does not cover the certification of vouchers which are not in accord with this regulation, but which has the specific approval of the Director.

N change 1.4d : Same as above. Does not cover payments by Agent-Cashier, which are specifically approved by Director, but are not in accord with these regulations.

OK 1.5a : The word "Payments" should be changed to the singular "Payment".

OK 1.5 : Should not the word "appointed" be changed to "designated".

Reference to 1.5 1.5a : Custodian should be responsible not only for all funds in his possession but also for disbursing only upon proper authority for official purposes.

CVE 1.5b : Not clear what is meant by this paragraph. Spell out the general rule.

✓ 1.6 : Pages containing amendments should carry date of the amendment.

N change 1.7 : Distributed as authorized by the Director or ADSO.

N change 2.0 : No provision here for designating Certifying Officers for field installations.

N change 2.1 : What about individual expenses approved by Director which are not in accord with these regulations.

OK 2.2 : Change word "expenditures" to "expenses". This is necessary in order to have this serve as both a post and prior certification. The statement as written would not be appropriate when certifying the invoice of a vendor prior to payment.

OK 3.0 : How about the custody, safekeeping, and accounting for miscellaneous receipts, assets other than money etc...

✓ 4.0 : Under existing legislation it would be unnecessary for Director to approve Chief, Special Funds, since he could remove him at any time in the same manner as any other employee in the agency. However, if present legislation is changed this provision might be necessary.

4.1 *Repts to Dir - "then appropriate channels"*
4.2 : Isn't Chief, Special Funds administratively and organizationally responsible to ADSO thru CAS, and pecuniarily responsible to the Director.

It is believed that the responsibilities of the Chief, Special Funds as stated here are not broad enough. Should include responsibility for establishing and maintaining adequate system of accounting

for receipts, expenditures, assets and collections

NC 8.0 : Ist't Director final authority. General Counsel renders final opinion in case of dispute, but Director makes final decision, unless the General Counsel becomes the written designee of the Director to make final decisions in certain cases.

C 8.2 : The way this is written the Certifying Officer could not approve payment under any contract unless it had been specifically approved by the General Counsel. Suggest you consider changing to read: "except employment contracts, and contracts under \$2,000." *Change*

change 8.3 : Suggest striking out "or other administrative controls" or re-phrasing to clarify the meaning.

no change 8.6 : Suggest inserting "Review records, controls, collection and disbursing and accounting procedures etc...."

C 7.1 : Suggest changing the word "possible" to "practicable". Add the phrase; "except where the use of vouchered funds would better contribute to security of operations, such as when persons adopt the "cover" of being employed by other government agencies and are paid by such agencies on a reimbursable basis". *no change*

7.4 : Should any mention be made of arrangements for handling Tax deductions.

change 8.1 : Suggest combining par. 12.3 with this paragraph and extending instruction to include the travel of persons other than employees. Not clear as to what is meant by "in the amount permitted by Public Law 600.....etc.". If it is intended to limit the "rate" of reimbursement of standard items to employees it is OK. If it is intended to limit the "purpose" of travel and the "rate" of payment to carriers and others it is impossible of compliance.

Change 8.2a: Change "CIA" to "OSD".

Not concern 8.2b : It does not seem equitable to pay the same rate of per diem to a traveler who has his meals paid for as you pay to the traveler who has to dig and pay for his own meals.

Change 8.3 : Insert after the words Budget Circular A-8 the words "as amended".

no change 8.4 : Believe that Special Living allowances should be in accordance with a schedule of living allowances approved by the Director or his written designee. This should have some coordination on the top level in view of the fact that FBI employees abroad will also be paid these living allowances, and without a point of coordination the rates paid to CIA employees in the same area would be inconsistent.

change 9.1 : What about the procurement of other types of information, not confidential, when it is necessary to use Special Funds. Suggest changing first sentence to read; ".....obtaining information of a confidential, extraordinary, or emergent nature....." *OK*

9.3 : Too much details required here. Not feasible to show all of the data required.

Cover in Definition of paragraph 10.4
10.4 : What does the memo of 18 December 1947 provide. Should not the general principals be: property acquisition, disposition, and accountability be spelled out here. Should not Special Funds be required to report the description and value of all property acquired by Special Funds or through other means to an appropriate official who is charged with maintaining accountability therefor until or unless relieved of such accountability by proper authority. Since Special Funds accounts are maintained on Cash Assets basis that accountability cannot be complete or adequate unless there is a control on assets acquired with Special Funds, and cash or other assets acquired from collections or the resale of assets.

Handwritten: 10.4
10.5 : Allocations made by BAF upon recommendation of the Project Review Committee and approval of the Director.

Handwritten: 10.6
10.6 : Not clear what is meant by "subjects". This part is hard to reconcile with the rest of the instruction and Certif. Officer would find it difficult to have to check back on all these exceptions in each case.

Handwritten: 10.7
10.7 : Believe only Director should have authority to approve here. If proposed legislation is approved his approval would be mandatory.

Handwritten: 10.8
10.8 : Apparently the rules on authorizing travel set forth here are general rather than exceptional, therefore suggest tying this part in to paragraph 8 .

Handwritten: 10.9
10.9 : Do not know what memo of 5 Jan 1948 provides, but believe it would be better to incorporate whatever provisions it contains into the regulation instead of referring to a memo that the readers of the regulation would not have available.

Handwritten: 10.10
10.10(1) : Limited to "Confidential". Proposed legislation provides for "confidential, extraordinary, or emergent"..

Handwritten: 10.11
10.11 : Suggest change wording to read: "No one will be permitted to realize a personal gain or required to suffer a personal loss...."

10.12 : This certificate is OK when the Payee is an employee, but is inappropriate when the Payee is a vendor, contractor, or any other individual, outside CEA.